



PRACTICES GUIDE

BUSINESS NEEDS STATEMENT

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Document Purpose

This Practices Guide is a brief document that provides an overview describing the best practices, activities, attributes, and related templates, tools, information, and key terminology of industry-leading project management practices and their accompanying project management templates.

Background

The Department of Health and Human Services (HHS) Enterprise Performance Life Cycle (EPLC) is a framework to enhance Information Technology (IT) governance through rigorous application of sound investment and project management principles, and industry best practices. The EPLC provides the context for the governance process and describes interdependencies between its project management, investment management, and capital planning components. The EPLC framework establishes an environment in which HHS IT investments and projects consistently achieve successful outcomes that align with Department and Operating Division goals and objectives.

The Enterprise Performance Life Cycle (EPLC) Initiation Phase identifies the business needs, rough order of magnitude cost and schedule, and basic business and technical risks. The activities during the Initiation Phase are designed to determine whether or not the proposed investment/project (*hereafter referred to as "project"*) aligns with the mission of the organization, supports the achievement of short term and/or long term goal(s), and justifies development of a full Business Case and preliminary Project Management Plan (PMP).

Practice Overview

During the Initiation Phase, a Business Owner identifies a business need for which a technological solution is required. The Initiation Phase may be triggered by initiatives defined in the applicable Enterprise Architecture (EA) segment transformation roadmap, legislative mandate or policy, business process improvement activities, changes in business functions, or advances in information technology. When an opportunity to improve or to address a deficiency is identified, the Business Owner and the Project Manager (if already assigned) document these opportunities in the Business Needs Statement.

The Business Needs Statement includes a brief description of the proposed project's purpose, goals, and scope. The Business Needs Statement provides sufficient information to justify a decision whether or not the organization should move forward with the development of a full business case. Sufficient high-level functional requirements are necessary to understand what the project is intended to do and how it supports the business need.

The Business Owner is the principal authority on matters regarding the expression of business needs, the interpretation of the functional requirements, and the mediation of various issues regarding the priority, scope, and domain of the business requirements. The Business Owner must understand what constitutes a requirement and must take ownership of such requirements. The Business Owner is also responsible for ensuring that adequate financial and business process resources are made available to support the project once approved.

As part of the Initiation Phase, a preliminary Enterprise Architecture (EA) assessment is conducted to ensure that the business need statement is consistent and in context with HHS Enterprise Architecture and that it satisfies the particular capability gap.

The HHS EA has adopted an approach defined in terms of segments of functionality within a common business area. The business areas are grouped as communities of interest according to similarities in missions, goals, objectives, and commonality of services and business processes. The HHS Architecture Development Methodology describes how development and analysis of segments is accomplished.

With the help from your EA team, the preliminary EA assessment will involve, in particular, identifying which segment the proposed project will support and verifying that the business need in question is aligned with the transition roadmap for that segment. An equally important component of the EA assessment is specification of internal and external enterprise forces, such as, new policies, legislative mandates or advances in information technology that act as drivers to the proposed project, as well as clear articulation (based on a high-level analysis of the existing investments, business processes, and services) of why the business need cannot be satisfied with the capabilities that are already in place and that the future system will not duplicate any such capabilities.

Best Practices

- **Leverage** - Look for ways to extend the benefits of the project beyond the immediate problem being addressed. Leveraging work to resolve multiple needs increases likelihood of sponsorship
- **Soft Benefits** - Include soft benefits even if not directly quantifiable. Soft benefits may include influences on employee behavior, increased client satisfaction, etc
- **K.I.S.S** - Keep the content of the Business Needs Statement simple. Present concepts in business terms and limiting the use of technical jargon and ambiguous acronyms
- **Review** - Present the completed Business Needs Statement document for final review, preferably to cross-functional team, prior to presenting to the prospective business owner
- **EA** - Ensure alignment of the Business Needs Statement document with applicable EA initiatives

Practice Activities

- Contact the CPIC office for assistance (if applicable)
- Contact security for assistance (if applicable)
- Contact EA for assistance (if applicable)
- Assess the organization
- Identify the agency's performance goals
- Define a strategy for development of the Business Needs Statement
- Perform segment architecture development and analysis.
- Consider risks and issues
- Finalize the Business Needs Statement document
- Present the Business Needs Statement document for review and approval to present to the appropriate governance committee